



General Assembly

February Session, 2010

Raised Bill No. 5402

LCO No. 1571

* ____HB05402APP__032910__ *

Referred to Committee on Appropriations

Introduced by:
(APP)

***AN ACT CONCERNING EXPENSES FOR HEALTH BENEFIT PLANS
UNDER THE TEACHERS' RETIREMENT FUND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-183r of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 The system shall be funded as follows:

4 (1) [All] Except as provided in subdivision (3) of this subsection, all
5 expenses of the administration of the system, exclusive of payment of
6 benefits, shall be paid for out of amounts appropriated by the General
7 Assembly on certifications and recommendations submitted by the
8 board.

9 (2) The cost of all benefits payable from the system shall be paid out
10 of the retirement fund which shall consist of contributions paid by
11 members, appropriations by the General Assembly based upon
12 certifications and recommendations submitted by the board, the
13 proceeds of bonds held by the system under section 10-183m, the
14 proceeds of bonds issued pursuant to section 10-183qq and earnings of
15 the system.

16 (3) Professional fees associated with the administration of the health
 17 benefit plans offered pursuant to section 10-183t, as amended by this
 18 act, of not more than one hundred fifty thousand dollars annually may
 19 be paid for out of the retired teachers' health insurance premium
 20 account established pursuant to said section 10-183t.

21 Sec. 2. Section 10-183t of the general statutes is repealed and the
 22 following is substituted in lieu thereof (*Effective from passage*):

23 (a) The retirement board shall offer one or more health benefit plans
 24 to: Any member receiving retirement benefits or a disability allowance
 25 from the system; the spouse or surviving spouse of such member, and
 26 a disabled dependent of such member if there is no spouse or
 27 surviving spouse, provided such member, spouse, surviving spouse,
 28 or disabled dependent is participating in Medicare Part A hospital
 29 insurance and Medicare Part B medical insurance. The board may offer
 30 one or more basic plans, the cost of which to any such member,
 31 spouse, surviving spouse or disabled dependent shall be one-third of
 32 the basic plan's premium equivalent, and one or more optional plans,
 33 provided such member, spouse, surviving spouse or disabled
 34 dependent shall pay one-third of the basic plan's premium equivalent
 35 plus the difference in cost between any such basic plans and any such
 36 optional plans. The board shall designate those plans which are basic
 37 and those plans which are optional for the purpose of determining
 38 such cost and the amount to be charged or withheld from benefit
 39 payments for such plans. The surviving spouse of a member, or a
 40 disabled dependent of a member if there is no surviving spouse, shall
 41 not be ineligible for participation in any such plan solely because such
 42 surviving spouse or disabled dependent is not receiving benefits from
 43 the system. With respect to any person participating in any such plan,
 44 the state shall appropriate to the board one-third of the cost of such
 45 basic plan or plans, or one-third of the cost of the rate in effect during
 46 the fiscal year ending June 30, 1998, whichever is greater.

47 (b) Any member who is receiving retirement benefits or a disability
 48 allowance from the system, the spouse or surviving spouse of such

49 member, or a disabled dependent of such member if there is no spouse
 50 or surviving spouse, and who is not participating in Medicare Part A
 51 hospital insurance and Medicare Part B medical insurance, may fully
 52 participate in any or all group health insurance plans maintained for
 53 active teachers by such member's last employing board of education,
 54 or by the state in the case of a member who was employed by the state,
 55 upon payment to such board of education or to the state, as applicable,
 56 by such member, spouse, [or] surviving spouse [,] or disabled
 57 dependent, of the premium charged for his form of coverage. Such
 58 premium shall be no greater than that charged for the same form of
 59 coverage for active teachers. The spouse, surviving spouse or disabled
 60 dependent shall not be ineligible for participation in any such plan
 61 solely because such spouse, surviving spouse or disabled dependent is
 62 not receiving benefits from the system. No person shall be ineligible
 63 for participation in such plans for failure to enroll in such plans at the
 64 time the member's retirement benefit or disability allowance became
 65 effective. Nothing in this subsection shall be construed to impair or
 66 alter the provisions of any collective bargaining agreement relating to
 67 the payment by a board of education of group health insurance
 68 premiums on behalf of any member receiving benefits from the
 69 system. Prior to the cancellation of coverage for any member, spouse,
 70 [or] surviving spouse or disabled dependent for failure to pay the
 71 required premiums or cost due, the board of education or the state, if
 72 applicable, shall notify the Teachers' Retirement Board of its intention
 73 to cancel such coverage at least thirty days prior to the date of
 74 cancellation. Absent any contractual provisions to the contrary, the
 75 payments made pursuant to subsection (c) of this section shall be first
 76 applied to any cost borne by the member, spouse, [or] surviving
 77 spouse or disabled dependent participating in any such plan. As used
 78 in this subsection, "last employing board of education" means the
 79 board of education [with] by which such member was employed when
 80 such member filed his initial application for retirement, and "health
 81 insurance plans" means hospital, medical, major medical, dental,
 82 prescription drug or auditory benefit plans that are available to active
 83 teachers.

84 (c) On and after July 1, 2000, the board shall pay a subsidy equal to
 85 the subsidy paid in the fiscal year ending June 30, 2000, to the board of
 86 education or to the state, if applicable, on behalf of any member who is
 87 receiving retirement benefits or a disability allowance from the system,
 88 the spouse [or] of such member, the surviving spouse of such
 89 member, or a disabled dependent of such member if there is no spouse
 90 or surviving spouse, who is participating in a health insurance plan
 91 maintained by a board of education or by the state, if applicable. Such
 92 payment shall not exceed the actual cost of such insurance. With
 93 respect to any person participating in any such plan pursuant to
 94 subsection (b) of this section, the state shall appropriate to the board
 95 one-third of the cost of the subsidy. No payment to a board of
 96 education pursuant to this subsection may be used to reduce the
 97 amount of any premium payment on behalf of any such member,
 98 spouse, [or] surviving spouse, or disabled dependent, made by such
 99 board pursuant to any agreement in effect on July 1, 1990. On and after
 100 July 1, 2008, the board shall pay a subsidy of two hundred twenty
 101 dollars per month on behalf of the member, spouse or the surviving
 102 spouse of such member who: (1) Has attained the normal retirement
 103 age to participate in Medicare, (2) is not eligible for [Part A of]
 104 Medicare Part A without cost, and (3) contributes at least two hundred
 105 twenty dollars per month towards his or her medical and prescription
 106 drug plan provided by the board of education.

107 (d) The Treasurer shall establish a separate retired teachers' health
 108 insurance premium account within the Teachers' Retirement Fund.
 109 Commencing July 1, 1989, and annually thereafter all health benefit
 110 plan contributions withheld under this chapter in excess of five
 111 hundred thousand dollars shall, upon deposit in the Teachers'
 112 Retirement Fund, be credited to such account. Interest derived from
 113 the investment of funds in the account shall be credited to the account.
 114 Funds in the account shall be used for (1) payments to boards of
 115 education pursuant to subsection (c) of this section and for payment of
 116 premiums on behalf of members, [or] spouses of members, surviving
 117 spouses of members or disabled dependents of members participating

118 in one or more health insurance plans pursuant to subsection (a) of this
119 section in an amount equal to the difference between the amount paid
120 pursuant to [said] subsection (a) of this section and the amount paid
121 pursuant to subsection (c) of this section, and (2) payments for
122 professional fees associated with the administration of the health
123 benefit plans offered pursuant to this section of not more than one
124 hundred fifty thousand dollars annually. If, during any fiscal year,
125 there are insufficient funds in the account for the purposes of all such
126 payments, the General Assembly shall appropriate sufficient funds to
127 the account for such purpose.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>from passage</i>	10-183r
Sec. 2	<i>from passage</i>	10-183t

APP *Joint Favorable*